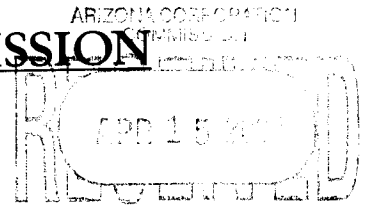


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G

W-02539A
GRANITE OAKS WATER USERS ASSOCIATION
P. O. BOX 10430
PRESCOTT AZ 86304-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-18-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Granite Oaks Water Users Ass.

Mailing Address P.O. Box 10430
Prescott AZ 86304
(City) (State) (Zip)

(928) 771-9461 (928) 717-4737
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address P.O. Box 10430
Prescott AZ 86304
(City) (State) (Zip)

(928) 771-9461 (928) 717-4737
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Yavapai Water Production Lte
Kimble McClymonds Owner
(Name) (Title)

2132 Stringfield Dr Prescott AZ 86305
(Street) (City) (State) (Zip)

(928) 771-9461 (928) 717-4737
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address YWP @ Northlink.com

On Site Manager: (same)
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Robert Busch
 (Name)

2050 W. Live Oak Prescott AZ 86305
 (Street) (City) (State) (Zip)

(928) 443-0589
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
 (Name)

 (Street) (City) (State) (Zip)

 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>private, non-profit, co-op, corporation</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Granite Oaks Water
P.O. Box 10430
Prescott, AZ 86304

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	12,128	2592	9,536
302	Franchises	350	75	275
303	Land and Land Rights	6,000	—	6,000
304	Structures and Improvements	45,896	9808	36,088
307	Wells and Springs	31,032	6631	24,401
311	Pumping Equipment	64,708	13828	50,880
320	Water Treatment Equipment	3,310	707	2,603
330	Distribution Reservoirs and Standpipes	27,440	5864	21,576
331	Transmission and Distribution Mains	531,083	113,891	417,192
333	Services	26,370	5635	20,735
334	Meters and Meter Installations	10,026	2143	7,883
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	31,406	428	30,778
340	Office Furniture and Equipment	—	—	—
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	—	—	—
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	TOTALS	789,749	161,802	627,947

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Granite Oaks Water

P.O. Box 10430

Prescott, AZ 86304

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	12,128	.02	243
302	Franchises	350	.02	7
303	Land and Land Rights	6,000	—	—
304	Structures and Improvements	45,896	.02	918
307	Wells and Springs	31,032	.02	620
311	Pumping Equipment	64,708	.02	1294
320	Water Treatment Equipment	3,310	.02	66
330	Distribution Reservoirs and Standpipes	27,440	.02	549
331	Transmission and Distribution Mains	531,083	.02	10,622
333	Services	26,370	.02	527
334	Meters and Meter Installations	10,026	.02	201
335	Hydrants ^{ADS}	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	31,406	.02	628
340	Office Furniture and Equipment	—	—	—
341	Transportation Equipment	—	—	—
343	Tools, Shop and Garage Equipment	—	—	—
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	TOTALS	789,749	15,795	15,795

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME	Granite Oaks Water
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P.O. Box 10430
Prescott, AZ 86304

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 457,687	\$ 392,495
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 457,687	\$ 392,495
	FIXED ASSETS		
101	Utility Plant in Service	\$ 758,343	\$ 789,749
103	Property Held for Future Use		136,395
105	Construction Work in Progress	36,285	25,767
108	Accumulated Depreciation – Utility Plant	(145,728)	(161,802)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 648,900	\$ 790,109
	TOTAL ASSETS	\$ 1,106,587	\$ 1,182,604

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Granite Oaks Water

P.O. Box 10430

Prescott, AZ 86301

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 0	\$ 0
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	56,246	50,770
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	714,616	714,616
272	Less: Amortization of Contributions	(143,251)	(157,643)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 627,611	\$ 607,743
	TOTAL LIABILITIES	\$ 627,611	\$ 607,743
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	7,000	7,000
215	Retained Earnings	471,976	567,861
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 478,976	\$ 574,861
	TOTAL LIABILITIES AND CAPITAL	\$ 1,106,587	\$ 1,182,604

COMPANY NAME

Granite Oaks Water

P.O. Box 10490

Prescott, AZ 86301

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 199,217	\$ 211,150
460	Unmetered Water Revenue	-	-
474	Other Water Revenues	1,550	1,200
	TOTAL REVENUES	\$ 200,767	\$ 212,350
	OPERATING EXPENSES		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water	-	-
615	Purchased Power	14,264	14,624
618	Chemicals	1,787	1,294
620	Repairs and Maintenance	10,946	4,365
621	Office Supplies and Expense	5,170	3,880
630	Outside Services	53,690	90,567
635	Water Testing	160	155
641	Rents	-	-
650	Transportation Expenses	-	-
657	Insurance - General Liability	4,891	4,722
659	Insurance - Health and Life	-	-
666	Regulatory Commission Expense - Rate Case	-	-
675	Miscellaneous Expense	1,400	207
403	Depreciation Expense	774	1,512
408	Taxes Other Than Income	11,314	12,046
408.11	Property Taxes	9,997	8,775
409	Income Tax	-	-
	TOTAL OPERATING EXPENSES	\$ 114,393	\$ 142,147
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 8,267	\$ 25,877
421	Non-Utility Income	230	312
426	Miscellaneous Non-Utility Expenses	929	337
427	Interest Expense	-	-
	TOTAL OTHER INCOME/EXP	\$ 7,568	\$ 25,852
	NET INCOME/(LOSS)	\$ 93,942	\$ 96,055

COMPANY NAME

Granite Oaks Water

P.O. Box 10430

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ -

Meter Deposits Refunded During the Test Year

\$ -

COMPANY NAME

Granite Oaks Water

P.O. Box 10430

Prescott, AZ 86301

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-524070	15	80	8	3
55-601103	25	250	14	3

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 57,153,200

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	3	31	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	2800	1
84,000	1	2500	1

STATISTICAL INFORMATION

Total number of customers	<u>405</u>	
Total number of gallons sold	<u>56,492,130</u>	gallons

COMPANY NAME

Granite Oaks Water

YEAR ENDING 12/31/2001

P.O. Box 10430

Prescott, AZ 86304

INCOME TAXES

For this reporting period, provide the following:

NON PROFIT - TAX EXEMPT

Federal Taxable Income Reported

0

Estimated or Actual Federal Tax Liability

0

State Taxable Income Reported

0

Estimated or Actual State Tax Liability

0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

0

Amount of Gross-Up Tax Collected

0

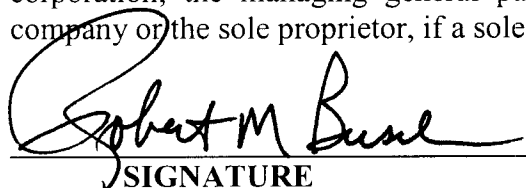
Total Grossed-Up Contributions/Advances

0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE4/12/2002
DATERobert M Busch
PRINTED NAMEPresident
TITLE

COMPANY NAME

Granite Oaks Water
P.O. Box 10430
Prescott, AZ 86304

YEAR ENDING 12/31/2001

WATER AND SEWER
UTILITIES ONLY

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

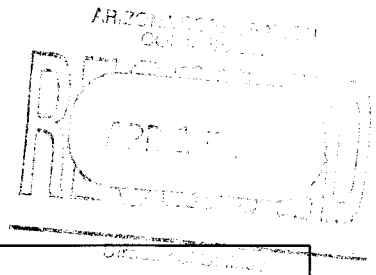
\$ 8774.92

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

CHECK WRITTEN FOR 2000 R/E TAXES	* 9384.92
LESS AMOUNT PAID BY SELLER OF LOTS #105 +	
*106 IN SETTLEMENT OF FINAL TRANS-	
ACTION	(610.00)
NET R/E TAXES PAID IN YEAR 2000	<u>8774.92</u>

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Manager</u>
COMPANY NAME	<u>Granite Oaks Water Users</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$212,350

(THE AMOUNT IN BOX ABOVE
INCLUDES \$12,046
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

(928) 771-9461

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

COUNTY NAME	<u>YAVAPAI</u>
MONTH	<u>April</u>
	<u>2002</u>

SIGNATURE OF NOTARY PUBLIC

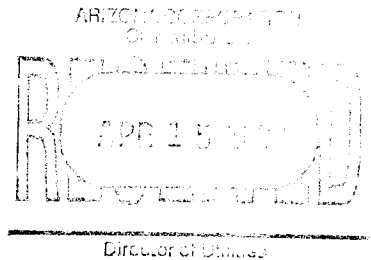
MY COMMISSION EXPIRES



OFFICIAL SEAL
JESSICA KLECKNER
Notary Public - State of Arizona
YAVAPAI COUNTY

My Comm. Expires June 14, 2004

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

(COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Kimble M. Clymonds</u>	TITLE <u>Manager</u>
COMPANY NAME <u>Granite Oaks Water Users Ass.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$212,350</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 12,046
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Kimble M. Clymonds
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF



NOTARY PUBLIC NAME <u>Jessica Kleckner</u>
COUNTY NAME <u>YAVAPAI</u>
MONTH <u>April</u> 20 <u>02</u>

X Jessica Kleckner
SIGNATURE OF NOTARY PUBLIC

June 14, 2004

1709

956-95-140 102-09-125 956-90-190

102-09-126 102-17-070B

GRANITE OAK WATER USERS ASSOCIATION, INC.

P. O. BOX 10430
PRESCOTT, AZ 86304

91-527-1221

DATE 10/15/01

PAY
TO THE
ORDER OF

Yavapai Co. Treasurer / Ross Jacoby
Nine Thousand Three Hundred Eighty Four 92 ~~xx~~ \$9,384.92 ~~xx~~

DOLLARS

NORWEST BANK ARIZONA, N.A.
SCOTTSDALE HOME OFFICE 38802
SCOTTSDALE, ARIZONA 85251

Kimberly M. Chynard

FOR

⑈001709⑈ ⑈122105278⑈5244201880⑈

⑈0000938492⑈